

**6/20/06 CONFIDENTIAL ATTORNEY WORK PRODUCT DRAFT**

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**E-FILED on June 20, 2006**

**IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE DISTRICT OF NEVADA**

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|--|---|
| In re:<br>USA COMMERCIAL MORTGAGE COMPANY,<br>Debtor.  | Case No. BK-S 06-10725 (LBR)<br>Case No. BK-S 06-10726 (LBR)<br>Case No. BK-S 06-10727 (LBR)  |
| In re:<br>USA CAPITAL REALTY ADVISORS, LLC,<br>Debtor.   | Case No. BK-S 06-10728 (LBR)<br>Case No. BK-S 06-10729 (LBR)  |
| In re:<br>USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC<br>Debtor.  | Chapter 11  |
| In re:<br>USA CAPITAL FIRST TRUST DEED FUND, LLC,<br>Debtor.   | Jointly Administered Under<br>Case No. BK-S-06-10725 LBR  |
| In re:<br>USA SECURITIES, LLC,<br>Debtor.  | Declaration of Steven E. Ostrow,<br>Esquire, in Support of Liberty<br>Bank's Objection to Debtors'<br>Motion for Order Approving<br>Agreement with Investment<br>Partners |
| Affects:<br><input checked="" type="checkbox"/> All Debtors<br><input type="checkbox"/> USA Commercial Mortgage Company<br><input type="checkbox"/> USA Securities, LLC<br><input type="checkbox"/> USA Capital Realty Advisors, LLC<br><input type="checkbox"/> USA Capital Diversified Trust Deed Fund, LLC<br><input type="checkbox"/> USA First Trust Deed Fund, LLC |   |

I, Steven E. Ostrow, Esquire, hereby declare as follows:

1. I am over the age of 18 and mentally competent. I have personal knowledge of the facts in this matter and if called upon to testify, could and would do so. I make this declaration in support of Liberty Bank's Objection to Debtors' Motion for Order Approving Agreement with Investment Partners.

2. I am a partner with the law firm of White and Williams LLP, which firm maintains an office located at 1800 One Liberty Place, Philadelphia, PA 19103. My firm

represents Liberty Bank which has engaged the firm of Haney, Woloson & Mullins as local counsel in the above-captioned bankruptcy cases. My motion for admission pro hac vice before this Court is being filed concurrently with this declaration.

3. As security for a \$10,000,000.00 Receivables Loan from Liberty Bank to HMA Sales, LLC (the "Loan"), the following agreements were executed and delivered to Liberty Bank:


(a) The Guaranty Agreements made effective as of November 15, 2004 executed by USA Commercial Mortgage Company and USA Investment Partners, LLC, true and correct copies of which are attached hereto as Exhibit "A" and made a part hereof; and

(b) The Subordination Agreement made effective as of July 6, 2005 among USA Investment Partners, LLC, HMA Sales, LLC and Liberty Bank, a true and correct copy of which is attached hereto as Exhibit "B" and made a part hereof.

4. Liberty Bank has sent HMA Sales, LLC written notice that various events of default exist under the Loan and the related loan documents, including the above-referenced agreements, and that all obligations with respect to the Loan are immediately due and payable.

I declare under penalty of perjury of the laws of the United States that these facts are true to the best of my knowledge and belief.

DATED this 20<sup>th</sup> of June, 2006

  
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